Why Do Assessments Go Up When A Property Hasn't Changed?

Since assessments must be set by market value, changing real estate values in the community will be reflected in the assessments. Market Value is a product of the prices paid for property. As prices increase/decrease, so does the market value. All properties do not change in value to the same degree. Many factors influence values. Those properties with water or scenic views for example, may well increase more rapidly than others.

Determine your tax bill

Your property tax bill is the end calculation of multiplying your Taxable Value by the local millage rate. The Assessor simply reports the current values of your property. **Your bill is based on the various millages voted on in your community.**

What are your rights and responsibilities?

If your opinion of the value of your property differs from Assessor's, of course go to the office and discuss the matter. The staff will be glad to answer your questions and explain how to appeal if you cannot come to an agreement. You can help by providing accurate information.

As a taxpaying citizen it is your right to appeal your assessment to the Board of Review. According to the Charter of the City of Wyandotte, this review process is to take place in February. Just previous to the Board of Review you will receive a Notice of Assessment of Values. You should look this over to confirm your property identification number, your classification of property and percentage of Primary Residence Exemption. You should also calculate your Taxable Value, verifying the increase by the Consumer Price Index. If you notice any changes that you are concerned about please notify the Assessor's Office immediately.

City of Wyandotte, Michigan

Established 1854

Colleen A. Keehn

City Assessor

City Of Wyandotte
Assessor's Office
3131 Biddle Ave.
Wyandotte MI 48192

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Email: assessor@wyan.org

For The Homeowner Who Would Like To Know

The Assessment Cap ... What It Means To You in 2009

City of Wyandotte
Office of Assessing

734-324-4510

ASSESSMENT CAP

Proposal A Passed By Michigan Voters In 1994

The passage of Proposal A in March of 1994 drastically changed the property assessment and taxation system. Some of the charges are hard to understand.

One such change is the "assessment cap". The language in Proposal A stated that, starting in 1995, the taxable value can be increased only by the amount of the consumer price index (CPI) or 5% , whichever is less. However, other laws still require that the State Equalized Value (SEV) is to be 50% of the current market value.

As a result, there will be three different "values" recorded for each property: the State Equalized Value; the Capped Value; and the Taxable Value. The property taxes are calculated on the Taxable Value.

Starting in 1995, the Assessor will still be required to estimate the market value of every property and record 50% of that as the State Equalized Value. In addition, the Assessor will also be required to multiply individually each assessment by the CPI to calculate each individual Capped Value. The lesser of the two will be the new Taxable value for that property.

Structural items not previously assessed, for example new construction, are to be added to the new values.

With this new system, in most cases, a property's taxable value will not be increased more that the previous year's taxable value times the CPI. This "capping" process will continue annually until the ownership is transferred. The "uncapping" will take place in the year after the transfer of ownership.

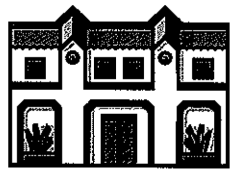
When a transfer of ownership occurs, the next Taxable Value will be based on the State Equalized Value that had been calculated annually. Legislation states that the actual sale price must not be the sole basis of the new SEV for that property.

To Summarize:

State Equalized Value (SEV)

Equals . . .

Half of the Fair Market Value



"Uncapping" Of Value

Capped Value

Equals . . .

Last year's Taxable Value increased by the amount of the Consumer Price Index, CPI, with a maximum of 5%, plus construction changes

Taxable Value

Equals . . .

The lesser of the State Equalized and Capped Values. The Taxable Value will be used for the calculation of property taxes.

The following examples illustrate the "Uncapping" of property value. The values and millage rates used are for residential properties that are 100% owner occupied.

Commercial properties increase at a different rate and are charged for School Operating of 18 mills. The total Non-Homestead millage rate for 2008 is 65.8231

An Example of PROPOSAL A

EXAMPLE 1 ***<u>No Transfer of ownership</u>***

2008 SEV $65,500
CAP $50,888
TXBL $50,888

Multiply by .0479040 (2008 Millage Rate)
for Homestead Taxes = $2,462.04

2009 SEV $59,000
decreased 10% due to market
% increases or decreases vary by neighborhood and are rounded to the nearest 100
CAP $53,127
increased 4.4% CPI
TXBL $53,127
lesser of CAP and SEV

Multiply by .0479040 (2008 Millage Rate)
for Homestead Taxes = $2,570.44**

EXAMPLE 2 ***<u>Transfer of ownership</u>***

2008 SEV $65,500
CAP $50,888
TXBL $50,888

Multiply by .0479040 (2008 Millage Rate)
for Homestead Taxes = $2,462.04

2009 SEV $59,000
decreased 10% due to market decreases (rounded to 100's)
CAP $53,127
transfer of ownership removes "CAP" and per State law, the SEV becomes the Taxable Value
TXBL $59,000
lesser of CAP and SEV

Multiply by .0479040 (2008 Millage Rate)
for Homestead Taxes = $2,854.59**

** estimated using 2008 millage rates